

Press Release

Financial results for the 10 months ended January 31, 2016

Monday, February 29, 2016

The Government announced today (February 29) its financial results for the 10 months ended January 31, 2016.

There was a surplus of HK\$46.6 billion in the month of January, thereby bringing a cumulative year-to-date surplus of HK\$45.2 billion. Expenditure for the 10-month period amounted to HK\$350.6 billion and revenue HK\$395.8 billion.

The fiscal reserves stood at HK\$873.7 billion as at January 31, 2016.

A government spokesperson said that the surplus in January was mainly due to the collection of salaries tax and profits tax. The bulk of the key revenue sources such as profits tax, salaries tax and stamp duties have already been received. He expected that, for the months of February and March, expenditure would be higher than revenue. The surplus for the year is expected to decrease to HK\$30.5 billion (the revised estimate for 2015-16) and the fiscal reserves are estimated to be HK\$859 billion as at the end of March 2016.

More detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended January 31, 2016	10 months ended January 31, 2016
	----- HK\$ million	----- HK\$ million
Revenue (Note 2)	81,544.5	395,770.7
Expenditure	(34,945.7)	(350,610.9)
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Surplus	46,598.8	45,159.8
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Financing

Domestic		
Banking Sector	(45,759.2)	(45,173.6)
(Note 3)		
Non-Banking Sector	(839.6)	13.8
External	-	-
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Total	(46,598.8)	(45,159.8)
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Government Debts as at January 31, 2016 (Note 4)

HK\$1,500 million

Debts Guaranteed by Government as at January 31, 2016 (Note 5)

HK\$38,146.3 million

TABLE 2. FISCAL RESERVES

	Month ended January 31, 2016	10 months ended January 31, 2016
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	HK\$ million	HK\$ million
Fiscal Reserves at start of period	827,075.1	828,514.1
Consolidated Surplus	46,598.8	45,159.8
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Fiscal Reserves at end of period (Note 6)	873,673.9	873,673.9
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Notes:

1. This Account consolidates the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond

Fund balance as at January 31, 2016, was HK\$128,324 million.

2. Pursuant to the Financial Secretary's directive in December 2015, the HK\$45,155 million investment income on the fiscal reserves for the calendar year 2015 was set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on December 31, 2015. Given interest accrued, the initial sum of HK\$27,487 million earmarked as Housing Reserve in December 2014 measured HK\$28,999 million as at December 31, 2015, before the further injection.

3. Includes transactions with the Exchange Fund and resident banks.

4. These were the outstanding institutional notes as at January 31, 2016, which were denominated in Hong Kong dollars with maturity in July 2019. They do not include the outstanding bonds with nominal value of HK\$99,900 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,561 million as at January 31, 2016) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme, bonds with nominal value of HK\$27,000 million will mature within the period from February 2016 to January 2017, and the rest within the period from February 2017 to July 2030.

5. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the Special Concessionary Measures under the SME Financing Guarantee Scheme launched in 2012, a commercial loan of the Ocean Park Corporation and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

6. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025.

Ends